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# Money, Adventure May Have Been Motives in Spy Case

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MOUNTAIN VIEW, Calif.—James D. Harper Jr. was a crackerjack engineer, all right—a genuine whiz at designing high-voltage power supplies and dreaming up things like the first electronic digital stopwatch, friends and associates said.

But those same friends and associates said Harper, 49, was at the same time an abysmal businessman, a big spender with expensive tastes who started two promising Silicon Valley electronics firms and then spent them into bankruptcy.

And always, they said, there was his thirst for high adventure and big money—a thirst that apparently once had him conspiring to sell phony U.S. defense secrets to Communist agents, and later allegedly drove him to peddle the real things.

## Basis of Accusations

Along with his alcoholic former wife, Ruby Louise Schuler, who suffered from cirrhosis of the liver and died June 22 at age 39, Harper has been accused by the FBI of selling ballistic missile secrets to Polish agents for \$250,000.

Harper was arrested Oct. 15. After days of press conferences, court appearances and news leaks, the Silicon Valley spy case has moved behind the closed doors of the federal grand jury hearing room here. Harper has waived indictment but he is reportedly cooperating with authorities and, according to a source familiar with the case, others may be charged.

San Jose businessman William B. Hugle also is under investigation, that same source said. An FBI affidavit made public with Harper's arrest said Hugle was named by Harper and by a defecting Polish intelligence source as the man who introduced Harper to Polish agents. Hugle's daughter, Cheryl Nobari of Los Altos, said he denies the charge and government sources told The Times that the FBI is having trouble coming up with independent evidence against Hugle.

Schuler, who is accused by the FBI of supplying the material sold to Poland, obtained the secrets through her job as executive secretary to the president of Systems Control Inc., a Palo Alto firm doing research

for the Ballistic Missile Defense Advanced Technology Center in Huntsville, Ala. Schuler had a middle-level "secret" security clearance, the FBI said.

(Although Ruby Schuler was known as a heavy drinker and had been arrested for drunk driving, it apparently is not uncommon to discount alcohol dependency among lower-level Silicon Valley workers, others in the area said.)

The FBI has never said exactly what was in the files—reportedly low- and middle-security "confidential" and "secret" papers but not super-sensitive "top secret" material. FBI sources would say only that the documents concerned the aging Minuteman intercontinental ballistic missile and the ability of U.S. land-based missiles to survive a pre-emptive nuclear surprise attack.

Whatever their value, the files may have seduced the thrice-married Harper and his second wife into espionage.

Those who knew Harper casually were shocked. Those who knew him well were not.

James Durward Harper Jr. was introduced to America's electronic defenses by the U.S. Marine Corps.

He enlisted in 1952 after graduation from Armijo High School in Fairfield—where classmates recalled his ability in sports and mathematics and his aversion to studying—and was sent to electronics school at the naval base on Treasure Island in San Francisco Bay.

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